

AMENDED IN SENATE AUGUST 1, 2007

AMENDED IN SENATE JULY 3, 2007

AMENDED IN ASSEMBLY MAY 2, 2007

AMENDED IN ASSEMBLY APRIL 16, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 424

Introduced by Assembly Member Gaines

February 16, 2007

~~An act to add Article 2 (commencing with Section 1855) to Chapter 9 of Division 2 of the Fish and Game Code, and to add Section 65854.5 to the Government Code, relating to wetlands. An act to amend Sections 17039 and 23036 of, and to add and repeal Sections 17053.38 and 23636.15 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 424, as amended, Gaines. ~~Wetlands: mitigation banking: notice. Income and corporation taxes: credit: defensible space.~~

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, allow for taxable years beginning on or after January 1, 2007, and before January 1, 2011, a credit in an amount equal to 25% of the qualified costs, not to exceed \$2,000, paid or incurred for defensible space, which would be defined as a specified area around a qualified property, as defined, that is created by removing all brush, flammable vegetation, and combustible growth.

This bill would take effect immediately as a tax levy.

~~(1) The Sacramento-San Joaquin Valley Wetlands Mitigation Bank Act of 1993 authorizes the Department of Fish and Game, until January 1, 2010, to qualify wetland mitigation bank sites, as defined, in the Sacramento-San Joaquin Valley, to create wetlands in areas where wetlands are removed or filled, or where there are discharges into wetlands, under specified federal permits. Other existing law requires the department to establish a database of all existing and operating wetlands mitigation banks that sell credits to the public in the state and to provide a report to the Legislature with a description and the status of each existing wetlands mitigation bank site.~~

~~This bill would prohibit the department from approving a wetlands mitigation bank, unless the memorandum of understanding or other agreement for the establishment of the bank site requires the department to send notice, within 60 days of the date of agreement, to specified local governmental entities, if the bank site is within the entity's approved sphere of influence under a specified law.~~

~~(2) Existing law governing the adoption and administration of zoning laws, ordinances, rules, and regulations by counties and cities requires a planning commission to hold a public hearing on a proposed zoning ordinance or amendment to a zoning ordinance, after specified notice.~~

~~This bill would require a local agency to notify the department of the local agency's proposed zoning ordinance or other land use change that may affect wetlands within the agency's sphere of influence. The bill, by imposing a new responsibility on local agencies, would impose a state-mandated local program.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.~~

The people of the State of California do enact as follows:

1 SECTION 1. Section 17039 of the Revenue and Taxation Code
2 is amended to read:

1 17039. (a) Notwithstanding any provision in this part to the
2 contrary, for the purposes of computing tax credits, the term “net
3 tax” means the tax imposed under either Section 17041 or 17048
4 plus the tax imposed under Section 17504 (relating to lump-sum
5 distributions) less the credits allowed by Section 17054 (relating
6 to personal exemption credits) and any amount imposed under
7 paragraph (1) of subdivision (d) and paragraph (1) of subdivision
8 (e) of Section 17560. Notwithstanding the preceding sentence, the
9 “net tax” shall not be less than the tax imposed under Section
10 17504 (relating to the separate tax on lump-sum distributions), if
11 any. Credits shall be allowed against “net tax” in the following
12 order:

13 (1) Credits that do not contain carryover or refundable
14 provisions, except those described in paragraphs (4) and (5).

15 (2) Credits that contain carryover provisions but do not contain
16 refundable provisions, except for those that are allowed to reduce
17 “net tax” below the tentative minimum tax, as defined by Section
18 17062.

19 (3) Credits that contain both carryover and refundable
20 provisions.

21 (4) The minimum tax credit allowed by Section 17063 (relating
22 to the alternative minimum tax).

23 (5) Credits that are allowed to reduce “net tax” below the
24 tentative minimum tax, as defined by Section 17062.

25 (6) Credits for taxes paid to other states allowed by Chapter 12
26 (commencing with Section 18001).

27 (7) Credits that contain refundable provisions but do not contain
28 carryover provisions.

29 The order within each paragraph shall be determined by the
30 Franchise Tax Board.

31 (b) Notwithstanding the provisions of Sections 17061 (relating
32 to refunds pursuant to the Unemployment Insurance Code) and
33 19002 (relating to tax withholding), the credits provided in those
34 sections shall be allowed in the order provided in paragraph (6) of
35 subdivision (a).

36 (c) (1) Notwithstanding any other provision of this part, no tax
37 credit shall reduce the tax imposed under Section 17041 or 17048
38 plus the tax imposed under Section 17504 (relating to the separate
39 tax on lump-sum distributions) below the tentative minimum tax,
40 as defined by Section 17062, except the following credits:

- 1 (A) The credit allowed by Section 17052.2 (relating to teacher
2 retention tax credit).
- 3 (B) The credit allowed by former Section 17052.4 (relating to
4 solar energy).
- 5 (C) The credit allowed by former Section 17052.5 (relating to
6 solar energy, repealed on January 1, 1987).
- 7 (D) The credit allowed by former Section 17052.5 (relating to
8 solar energy, repealed on December 1, 1994).
- 9 (E) The credit allowed by Section 17052.12 (relating to research
10 expenses).
- 11 (F) The credit allowed by former Section 17052.13 (relating to
12 sales and use tax credit).
- 13 (G) The credit allowed by former Section 17052.15 (relating to
14 Los Angeles Revitalization Zone sales tax credit).
- 15 (H) The credit allowed by Section 17052.25 (relating to the
16 adoption costs credit).
- 17 (I) The credit allowed by Section 17053.5 (relating to the
18 renter's credit).
- 19 (J) The credit allowed by former Section 17053.8 (relating to
20 enterprise zone hiring credit).
- 21 (K) The credit allowed by former Section 17053.10 (relating to
22 Los Angeles Revitalization Zone hiring credit).
- 23 (L) The credit allowed by former Section 17053.11 (relating to
24 program area hiring credit).
- 25 (M) For each taxable year beginning on or after January 1, 1994,
26 the credit allowed by former Section 17053.17 (relating to Los
27 Angeles Revitalization Zone hiring credit).
- 28 (N) The credit allowed by Section 17053.33 (relating to targeted
29 tax area sales or use tax credit).
- 30 (O) The credit allowed by Section 17053.34 (relating to targeted
31 tax area hiring credit).
- 32 (P) The credit allowed by Section 17053.49 (relating to qualified
33 property).
- 34 (Q) The credit allowed by Section 17053.70 (relating to
35 enterprise zone sales or use tax credit).
- 36 (R) The credit allowed by Section 17053.74 (relating to
37 enterprise zone hiring credit).
- 38 (S) The credit allowed by Section 17054 (relating to credits for
39 personal exemption).

1 (T) The credit allowed by Section 17054.5 (relating to the credits
2 for a qualified joint custody head of household and a qualified
3 taxpayer with a dependent parent).

4 (U) The credit allowed by Section 17054.7 (relating to the credit
5 for a senior head of household).

6 (V) The credit allowed by former Section 17057 (relating to
7 clinical testing expenses).

8 (W) The credit allowed by Section 17058 (relating to
9 low-income housing).

10 (X) The credit allowed by Section 17061 (relating to refunds
11 pursuant to the Unemployment Insurance Code).

12 (Y) Credits for taxes paid to other states allowed by Chapter 12
13 (commencing with Section 18001).

14 (Z) The credit allowed by Section 19002 (relating to tax
15 withholding).

16 (AA) *The credit allowed by Section 17053.38 (relating to the*
17 *defensible space credit).*

18 (2) Any credit that is partially or totally denied under paragraph
19 (1) shall be allowed to be carried over and applied to the net tax
20 in succeeding taxable years, if the provisions relating to that credit
21 include a provision to allow a carryover when that credit exceeds
22 the net tax.

23 (d) Unless otherwise provided, any remaining carryover of a
24 credit allowed by a section that has been repealed or made
25 inoperative shall continue to be allowed to be carried over under
26 the provisions of that section as it read immediately prior to being
27 repealed or becoming inoperative.

28 (e) (1) Unless otherwise provided, if two or more taxpayers
29 (other than husband and wife) share in costs that would be eligible
30 for a tax credit allowed under this part, each taxpayer shall be
31 eligible to receive the tax credit in proportion to his or her
32 respective share of the costs paid or incurred.

33 (2) In the case of a partnership, the credit shall be allocated
34 among the partners pursuant to a written partnership agreement in
35 accordance with Section 704 of the Internal Revenue Code, relating
36 to partner's distributive share.

37 (3) In the case of a husband and wife who file separate returns,
38 the credit may be taken by either or equally divided between them.

39 (f) Unless otherwise provided, in the case of a partnership, any
40 credit allowed by this part shall be computed at the partnership

1 level, and any limitation on the expenses qualifying for the credit
2 or limitation upon the amount of the credit shall be applied to the
3 partnership and to each partner.

4 (g) (1) With respect to any taxpayer that directly or indirectly
5 owns an interest in a business entity that is disregarded for tax
6 purposes pursuant to Section 23038 and any regulations thereunder,
7 the amount of any credit or credit carryforward allowable for any
8 taxable year attributable to the disregarded business entity shall
9 be limited in accordance with paragraphs (2) and (3).

10 (2) The amount of any credit otherwise allowed under this part,
11 including any credit carryover from prior years, that may be applied
12 to reduce the taxpayer's "net tax," as defined in subdivision (a),
13 for the taxable year shall be limited to an amount equal to the
14 excess of the taxpayer's regular tax (as defined in Section 17062),
15 determined by including income attributable to the disregarded
16 business entity that generated the credit or credit carryover, over
17 the taxpayer's regular tax (as defined in Section 17062), determined
18 by excluding the income attributable to that disregarded business
19 entity. No credit shall be allowed if the taxpayer's regular tax (as
20 defined in Section 17062), determined by including the income
21 attributable to the disregarded business entity, is less than the
22 taxpayer's regular tax (as defined in Section 17062), determined
23 by excluding the income attributable to the disregarded business
24 entity.

25 (3) If the amount of a credit allowed pursuant to the section
26 establishing the credit exceeds the amount allowable under this
27 subdivision in any taxable year, the excess amount may be carried
28 over to subsequent taxable years pursuant to subdivisions (c) and
29 (d).

30 (h) (1) Unless otherwise specifically provided, in the case of a
31 taxpayer that is a partner or shareholder of an eligible pass-through
32 entity described in paragraph (2), any credit passed through to the
33 taxpayer in the taxpayer's first taxable year beginning on or after
34 the date the credit is no longer operative may be claimed by the
35 taxpayer in that taxable year, notwithstanding the repeal of the
36 statute authorizing the credit prior to the close of that taxable year.

37 (2) For purposes of this subdivision, "eligible pass-through
38 entity" means any partnership or S corporation that files its return
39 on a fiscal year basis pursuant to Section 18566, and that is entitled

1 to a credit pursuant to this part for the taxable year that begins
2 during the last year the credit is operative.

3 (3) This subdivision shall apply to credits that become
4 inoperative on or after the operative date of the act adding this
5 subdivision.

6 *SEC. 2. Section 17053.38 is added to the Revenue and Taxation
7 Code, to read:*

8 *17053.38. (a) For each taxable year beginning on or after
9 January 1, 2007, and before January 1, 2011, there shall be
10 allowed a credit against the "net tax," as defined by Section 17039,
11 in an amount equal to 25 percent of the qualified costs paid or
12 incurred during the taxable year.*

13 *(b) For purposes of this section, the following definitions shall
14 apply:*

15 *(1) "Defensible space" means that area created by removing
16 all brush, flammable vegetation, and combustible growth that is
17 located within at least 100 feet from the structural components of
18 a dwelling located on a qualified property.*

19 *(2) "Dwelling" has the same meaning as described in Section
20 704.710 of the Code of Civil Procedure.*

21 *(3) "Fire department" means the local fire department that has
22 jurisdiction over the qualified property.*

23 *(4) "Licensed contractor" means a contractor with an active
24 license issued by the Contractors' State License Board.*

25 *(5) "Qualified costs" means any costs paid or incurred during
26 the taxable year, not to exceed two thousand dollars (\$2,000) per
27 qualified property, to a licensed contractor to create defensible
28 space.*

29 *(6) "Qualified property" means any parcel of real property
30 located within the California portion of the region defined in Public
31 Law 96-551 and the Tahoe Regional Planning Compact, upon
32 which a dwelling, a house, or residential apartment building, is
33 located.*

34 *(7) "Qualified taxpayer" means any taxpayer who owns
35 qualified property.*

36 *(8) "Written certification" means a written evaluation by the
37 fire department that certifies the establishment of defensible space,
38 provided that the certification shall be obtained within 30 days
39 after completion of the work establishing the defensible space. The*

1 taxpayer shall retain a copy of the certification and provide it to
 2 the Franchise Tax Board upon request.

3 (c) Any deduction otherwise allowed under this part for qualified
 4 costs shall not be reduced by the amount of the credit allowed
 5 under this section.

6 (d) If the credit allowed by this section exceeds the “net tax,”
 7 the excess may be carried over to reduce the “net tax” in the
 8 following year, and in the succeeding four years, if necessary, until
 9 the credit is exhausted.

10 (e) This section shall remain in effect only until December 1,
 11 2011, and as of that date is repealed.

12 SEC. 3. Section 23036 of the Revenue and Taxation Code is
 13 amended to read:

14 23036. (a) (1) The term “tax” includes any of the following:

15 (A) The tax imposed under Chapter 2 (commencing with Section
 16 23101).

17 (B) The tax imposed under Chapter 3 (commencing with Section
 18 23501).

19 (C) The tax on unrelated business taxable income, imposed
 20 under Section 23731.

21 (D) The tax on S corporations imposed under Section 23802.

22 (2) The term “tax” does not include any amount imposed under
 23 paragraph (1) of subdivision (e) of Section 24667 or paragraph (2)
 24 of subdivision (f) of Section 24667.

25 (b) For purposes of Article 5 (commencing with Section 18661)
 26 of Chapter 2, Article 3 (commencing with Section 19031) of
 27 Chapter 4, Article 6 (commencing with Section 19101) of Chapter
 28 4, and Chapter 7 (commencing with Section 19501) of Part 10.2,
 29 and for purposes of Sections 18601, 19001, and 19005, the term
 30 “tax” also includes all of the following:

31 (1) The tax on limited partnerships, imposed under Section
 32 17935, the tax on limited liability companies, imposed under
 33 Section 17941, and the tax on registered limited liability
 34 partnerships and foreign limited liability partnerships imposed
 35 under Section 17948.

36 (2) The alternative minimum tax imposed under Chapter 2.5
 37 (commencing with Section 23400).

38 (3) The tax on built-in gains of S corporations, imposed under
 39 Section 23809.

1 (4) The tax on excess passive investment income of S
2 corporations, imposed under Section 23811.

3 (c) Notwithstanding any other provision of this part, credits are
4 allowed against the “tax” in the following order:

5 (1) Credits that do not contain carryover provisions.

6 (2) Credits that, when the credit exceeds the “tax,” allow the
7 excess to be carried over to offset the “tax” in succeeding taxable
8 years, except for those credits that are allowed to reduce the “tax”
9 below the tentative minimum tax, as defined by Section 23455.

10 The order of credits within this paragraph shall be determined by
11 the Franchise Tax Board.

12 (3) The minimum tax credit allowed by Section 23453.

13 (4) Credits that are allowed to reduce the “tax” below the
14 tentative minimum tax, as defined by Section 23455.

15 (5) Credits for taxes withheld under Section 18662.

16 (d) Notwithstanding any other provision of this part, each of
17 the following applies:

18 (1) No credit may reduce the “tax” below the tentative minimum
19 tax (as defined by paragraph (1) of subdivision (a) of Section
20 23455), except the following credits:

21 (A) The credit allowed by former Section 23601 (relating to
22 solar energy).

23 (B) The credit allowed by former Section 23601.4 (relating to
24 solar energy).

25 (C) The credit allowed by former Section 23601.5 (relating to
26 solar energy).

27 (D) The credit allowed by Section 23609 (relating to research
28 expenditures).

29 (E) The credit allowed by former Section 23609.5 (relating to
30 clinical testing expenses).

31 (F) The credit allowed by Section 23610.5 (relating to
32 low-income housing).

33 (G) The credit allowed by former Section 23612 (relating to
34 sales and use tax credit).

35 (H) The credit allowed by Section 23612.2 (relating to enterprise
36 zone sales or use tax credit).

37 (I) The credit allowed by former Section 23612.6 (relating to
38 Los Angeles Revitalization Zone sales tax credit).

39 (J) The credit allowed by former Section 23622 (relating to
40 enterprise zone hiring credit).

- 1 (K) The credit allowed by Section 23622.7 (relating to enterprise
2 zone hiring credit).
- 3 (L) The credit allowed by former Section 23623 (relating to
4 program area hiring credit).
- 5 (M) The credit allowed by former Section 23623.5 (relating to
6 Los Angeles Revitalization Zone hiring credit).
- 7 (N) The credit allowed by former Section 23625 (relating to
8 Los Angeles Revitalization Zone hiring credit).
- 9 (O) The credit allowed by Section 23633 (relating to targeted
10 tax area sales or use tax credit).
- 11 (P) The credit allowed by Section 23634 (relating to targeted
12 tax area hiring credit).
- 13 (Q) The credit allowed by Section 23649 (relating to qualified
14 property).
- 15 (R) *The credit allowed by Section 23636.15 (relating to the*
16 *defensible space credit).*
- 17 (2) No credit against the tax may reduce the minimum franchise
18 tax imposed under Chapter 2 (commencing with Section 23101).
- 19 (e) Any credit which is partially or totally denied under
20 subdivision (d) is allowed to be carried over to reduce the “tax”
21 in the following year, and succeeding years if necessary, if the
22 provisions relating to that credit include a provision to allow a
23 carryover of the unused portion of that credit.
- 24 (f) Unless otherwise provided, any remaining carryover from a
25 credit that has been repealed or made inoperative is allowed to be
26 carried over under the provisions of that section as it read
27 immediately prior to being repealed or becoming inoperative.
- 28 (g) Unless otherwise provided, if two or more taxpayers share
29 in costs that would be eligible for a tax credit allowed under this
30 part, each taxpayer is eligible to receive the tax credit in proportion
31 to his or her respective share of the costs paid or incurred.
- 32 (h) Unless otherwise provided, in the case of an S corporation,
33 any credit allowed by this part is computed at the S corporation
34 level, and any limitation on the expenses qualifying for the credit
35 or limitation upon the amount of the credit applies to the S
36 corporation and to each shareholder.
- 37 (i) (1) With respect to any taxpayer that directly or indirectly
38 owns an interest in a business entity that is disregarded for tax
39 purposes pursuant to Section 23038 and any regulations thereunder,
40 the amount of any credit or credit carryforward allowable for any

1 taxable year attributable to the disregarded business entity is limited
2 in accordance with paragraphs (2) and (3).

3 (2) The amount of any credit otherwise allowed under this part,
4 including any credit carryover from prior years, that may be applied
5 to reduce the taxpayer's "tax," as defined in subdivision (a), for
6 the taxable year is limited to an amount equal to the excess of the
7 taxpayer's regular tax (as defined in Section 23455), determined
8 by including income attributable to the disregarded business entity
9 that generated the credit or credit carryover, over the taxpayer's
10 regular tax (as defined in Section 23455), determined by excluding
11 the income attributable to that disregarded business entity. No
12 credit is allowed if the taxpayer's regular tax (as defined in Section
13 23455), determined by including the income attributable to the
14 disregarded business entity is less than the taxpayer's regular tax
15 (as defined in Section 23455), determined by excluding the income
16 attributable to the disregarded business entity.

17 (3) If the amount of a credit allowed pursuant to the section
18 establishing the credit exceeds the amount allowable under this
19 subdivision in any taxable year, the excess amount may be carried
20 over to subsequent taxable years pursuant to subdivisions (d), (e),
21 and (f).

22 (j) (1) Unless otherwise specifically provided, in the case of a
23 taxpayer that is a partner or shareholder of an eligible pass-through
24 entity described in paragraph (2), any credit passed through to the
25 taxpayer in the taxpayer's first taxable year beginning on or after
26 the date the credit is no longer operative may be claimed by the
27 taxpayer in that taxable year, notwithstanding the repeal of the
28 statute authorizing the credit prior to the close of that taxable year.

29 (2) For purposes of this subdivision, "eligible pass-through
30 entity" means any partnership or S corporation that files its return
31 on a fiscal year basis pursuant to Section 18566, and that is entitled
32 to a credit pursuant to this part for the taxable year that begins
33 during the last year a credit is operative.

34 (3) This subdivision applies to credits that become inoperative
35 on or after the operative date of the act adding this subdivision.

36 *SEC. 4. Section 23636.15 is added to the Revenue and Taxation*
37 *Code, to read:*

38 *23636.15. (a) For each taxable year beginning on or after*
39 *January 1, 2007, and before January 1, 2011, there shall be*
40 *allowed a credit against the "tax," as defined by Section 23036,*

1 *in an amount equal to 25 percent of the qualified costs paid or*
2 *incurred during the taxable year.*

3 *(b) For purposes of this section, the following definitions shall*
4 *apply:*

5 *(1) “Defensible space” means that area created by removing*
6 *all brush, flammable vegetation, or combustible growth that is*
7 *located within at least 100 feet of the structural components of a*
8 *dwelling that is located on a qualified property.*

9 *(2) “Dwelling” has the same meaning as described in Section*
10 *704.710 of the Code of Civil Procedure.*

11 *(3) “Fire department” means the local fire department that has*
12 *jurisdiction over the qualified property.*

13 *(4) “Licensed contractor” means a contractor with an active*
14 *license issued by the Contractors’ State License Board.*

15 *(5) “Qualified costs” means any costs paid or incurred during*
16 *the taxable year, not to exceed two thousand dollars (\$2,000) per*
17 *qualified property, to a licensed contractor to create defensible*
18 *space.*

19 *(6) “Qualified property” means any parcel of real property*
20 *located within the California portion of the region defined in Public*
21 *Law 96-551 and the Tahoe Regional Planning Compact, upon*
22 *which a dwelling, a house, or residential apartment building, is*
23 *located.*

24 *(7) “Qualified taxpayer” means any taxpayer who owns*
25 *qualified property.*

26 *(8) “Written certification” means a written evaluation by the*
27 *fire department that certifies the establishment of defensible space,*
28 *provided that the certification shall be obtained within 30 days*
29 *after completion of the work establishing the defensible space. The*
30 *taxpayer shall retain a copy of the certification and provide it to*
31 *the Franchise Tax Board upon request.*

32 *(c) Any deduction otherwise allowed under this part for qualified*
33 *costs shall not be reduced by the amount of the credit allowed*
34 *under this section.*

35 *(d) If the credit allowed by this section exceeds the “tax,” the*
36 *excess may be carried over to reduce the “tax” in the following*
37 *year, and in the succeeding four years, if necessary, until the credit*
38 *is exhausted.*

39 *(e) This section shall remain in effect only until December 1,*
40 *2011, and as of that date is repealed.*

1 *SEC. 5. This act provides for a tax levy within the meaning of*
2 *Article IV of the Constitution and shall go into immediate effect.*

3 ~~SECTION 1. Article 2 (commencing with Section 1855) is~~
4 ~~added to Chapter 9 of Division 2 of the Fish and Game Code, to~~
5 ~~read:~~

6
7 ~~Article 2. Mitigation Banks~~
8

9 ~~1855. The department shall not approve a wetlands mitigation~~
10 ~~bank, including, but not limited to, determining a bank site to be~~
11 ~~qualified under Chapter 7.8 (commencing with Section 1775),~~
12 ~~unless the memorandum of understanding or other agreement for~~
13 ~~the establishment of a bank site requires the department, within~~
14 ~~60 days of the date of agreement, to send a notice to each city,~~
15 ~~county, or city and county, if the bank site is within the entity's~~
16 ~~approved sphere of influence under the Cortese-Knox-Hertzberg~~
17 ~~Local Government Reorganization Act of 2000 (Division 3~~
18 ~~(commencing with Section 56000) of Title 5 of the Government~~
19 ~~Code).~~

20 ~~SEC. 2. Section 65854.5 is added to the Government Code, to~~
21 ~~read:~~

22 ~~65854.5. In addition to the notice required by Sections 65090~~
23 ~~and 65854, a local agency shall notify the Department of Fish and~~
24 ~~Game of the local agency's proposed zoning ordinance or other~~
25 ~~land use change that may affect wetlands within the agency's~~
26 ~~sphere of influence under the Cortese-Knox-Hertzberg Local~~
27 ~~Government Reorganization Act of 2000 (Division 3 (commencing~~
28 ~~with Section 56000) of Title 5 of the Government Code).~~

29 ~~SEC. 3. If the Commission on State Mandates determines that~~
30 ~~this act contains costs mandated by the state, reimbursement to~~
31 ~~local agencies and school districts for those costs shall be made~~
32 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
33 ~~4 of Title 2 of the Government Code.~~